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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JANUARY 1984

DECEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Dec. '83	10.6	11.2
Nov. '83	10.6	10.4
U.S.		
Dec. '83	8.2	8.0
Nov. '83	8.4	8.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Dec. 1983:	101.7
Nov. 1983:	102.0
Dec. 1982:	100.8
Dec. 1981:	105.3
Dec. 1980:	110.8
Dec. 1979:	114.6

DIFFUSION INDEX

Oregon	
Dec. 1983:	58.2
Nov. 1983:	59.3
Oct. 1983:	59.3
Sep. 1983:	52.7
Aug. 1983:	53.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Nov. 1983:	38.9
Oct. 1983:	39.6
Nov. 1982:	38.3

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1983	293.9
Year Change	+ 2.9
U.S.	
Dec. 1983	303.5
Year Change	+ 3.8

Portland Hotline 221-4132

DECEMBER CAPS A BETTER YEAR

Oregonians called 1983 "better", "improved", "encouraging", "on the right track", but few called it "good". That was the general feeling among analysts about employment and unemployment in 1983.

Economists breathed a sigh of relief when Oregon's seasonally adjusted unemployment rate held even in December at 10.6%. In nearly every month since last June, the state's unemployment rate had increased. However, December losses in total employment (-17,700) and increases in unemployment (+9,200) were near normal for this time of the year. While 146,000 Oregonians were still out of a job, the latest tally showed marked improvement over one year ago.

Meanwhile, the nation's civilian unemployment rate displayed its largest yearly drop since 1950. December saw the seasonally adjusted rate subside to 8.2%, the lowest level recorded since October 1981. National job market improvements over the past year far exceeded nearly every forecast. U.S. auto makers posted sales gains of nearly 25% in December, retailers reported robust double digit holiday sales gains, and stock market prices were near record levels.

Also, nationally, those classified as "discouraged workers", i.e., persons no longer counted as unemployed because they have abandoned their search for jobs, decreased in the fourth quarter of 1983 to 1.5 million, down 350,000 from its recession peak in the fourth quarter of 1982. Though no totally accurate count is

RESIDENT OREGON LABOR FORCE

	Dec. 1983 1/	Nov. 1983 2/	Change	% Change	Dec. 1982 5/
Civilian Labor Force 3/	1,307,600	1,316,000	- 8,400	-0.6	1,295,300
Unemployment	146,000	136,700	+ 9,300	+6.8	153,100
Percent of Labor Force	11.2	10.4	xxx	xxx	11.8
Seasonally Adjusted Percent	10.6	10.6	xxx	xxx	11.6
Total Employment 4/	1,161,600	1,179,300	-17,700	-1.5	1,142,200

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1983 1/	Nov. 1983 2/	Dec. 1982	Change From Nov. 1983	Change From Dec. 1982
TOTAL 3/	957,900	964,700	950,200	-6,800	7,700
Wage & Salary Employment Index 4/	101.7	102.0	100.8	xxx	xxx
Diffusion Index 5/	58.2	59.3	41.9	xxx	xxx
Total Manufacturing	185,500	188,400	180,000	-2,900	5,500
Durable Goods	134,200	134,800	128,600	- 600	5,600
Lumber & Wood Products	62,700	63,500	56,300	- 800	6,400
Logging & Sawmills	31,500	32,100	28,400	- 600	3,100
Veneer & Plywood	18,100	18,300	17,800	- 200	300
Millwork & Structural Wood	7,400	7,300	5,600	100	1,800
Mobile Homes	2,100	2,200	1,400	- 100	700
Other Wood Products	3,600	3,600	3,100	0	500
Furniture & Fixtures	2,600	2,600	2,500	0	100
Stone, Clay, Glass, & Concrete	3,400	3,600	3,000	- 200	400
Primary Metals	7,900	7,700	7,000	200	900
Blast Furnaces, Iron & Steel	4,100	3,900	3,900	200	200
Nonferrous Metals	3,800	3,800	3,100	0	700
Fabricated Metals	8,900	9,100	8,900	- 200	0
Fabricated Structural Metals	3,300	3,500	3,700	- 200	- 400
Other Fabricated Metals	5,600	5,600	5,200	0	400
Machinery	14,500	14,400	15,100	100	- 600
Electrical Equipment & Supplies	10,100	10,000	9,400	100	700
Transportation Equipment	7,300	7,400	8,200	- 100	- 900
Instruments & Related Products	14,200	14,000	15,900	200	-1,700
Miscellaneous Manufacturing	2,600	2,500	2,300	100	300
Nondurable Goods	51,300	53,600	51,400	-2,300	- 100
Food & Kindred Products	21,300	23,700	22,200	-2,400	- 900
Canning & Preserving	10,800	12,800	11,900	-2,000	-1,100
Other Food Products	10,500	10,900	10,300	- 400	200
Textile Mill Products	1,700	1,700	1,800	0	- 100
Apparel	2,800	2,800	2,600	0	200
Paper & Allied Products	9,700	9,600	9,500	100	200
Printing & Publishing	10,300	10,300	10,100	0	200
Chemicals & Allied Products	2,100	2,100	2,100	0	0
Petroleum Refining	500	500	400	0	100
Rubber & Plastic Products	2,600	2,600	2,400	0	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1983	Nov. 1983	Dec. 1982	Change From Nov. 1983	Change From Dec. 1982
(cont.)					
Total Nonmanufacturing	772,400	776,300	770,200	-3,900	2,200
Mining & Quarrying	1,500	1,400	1,200	100	300
Construction	25,900	29,000	26,400	-3,100	- 500
Transportation, Communications, & Utilities	55,300	55,600	56,700	- 300	-1,400
Transportation	32,200	32,500	32,300	- 300	- 100
Railroad	5,400	5,500	5,700	- 100	- 300
Trucking & Warehousing	16,900	17,200	16,700	- 300	200
Other Transportation	9,900	9,800	9,900	100	0
Communications	14,500	14,500	15,400	0	- 900
Utilities	8,600	8,600	9,000	0	- 400
Trade	247,200	245,600	242,100	1,600	5,100
Wholesale Trade	61,100	61,700	59,500	- 600	1,600
Durable Goods	36,000	36,100	35,000	- 100	1,000
Nondurable Goods	25,100	25,600	24,500	- 500	600
Retail Trade	186,100	183,900	182,600	2,200	3,500
General Merchandise	28,800	27,400	27,100	1,400	1,700
Food Stores	28,300	28,200	27,800	100	500
Auto Dealers & Service Stations	22,500	22,800	21,100	- 300	1,400
Other Retail Trade	106,500	105,500	106,600	1,000	- 100
Finance, Insurance, & Real Estate	63,800	63,800	63,800	0	0
Banking & Credit Agencies	23,600	23,500	23,300	100	300
Other Finance, Insurance, & Real Estate	40,200	40,300	40,500	- 100	- 300
Services	185,000	185,000	184,400	0	600
Hotels & Personal Services	20,300	20,600	21,100	- 300	- 800
Health Services	64,900	64,800	64,900	100	0
Other Services	99,800	99,600	98,400	200	1,400
Government	193,700	195,900	195,600	-2,200	-1,900
Federal Government	28,400	28,300	28,900	100	- 500
State Government	51,300	52,700	50,500	-1,400	800
Education	22,700	23,200	22,200	- 500	500
Other State	28,600	29,500	28,300	- 900	300
Local Government	114,000	114,900	116,200	- 900	-2,200
Education	73,200	73,700	72,700	- 500	500
Other Local	40,800	41,200	43,500	- 400	-2,700
Labor-Management Disputes	1,400	1,400	0	0	1,400

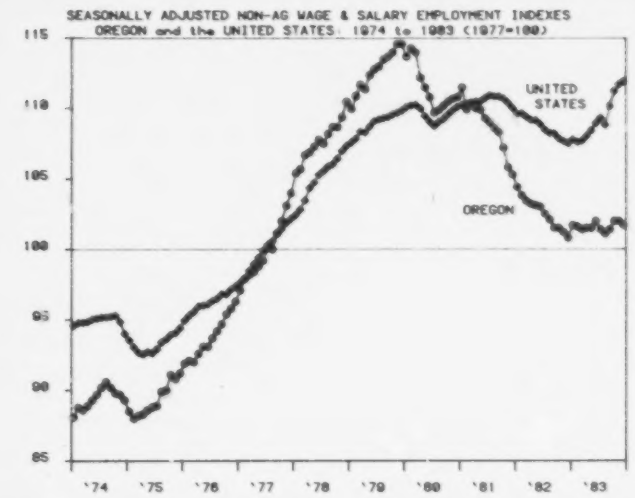
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

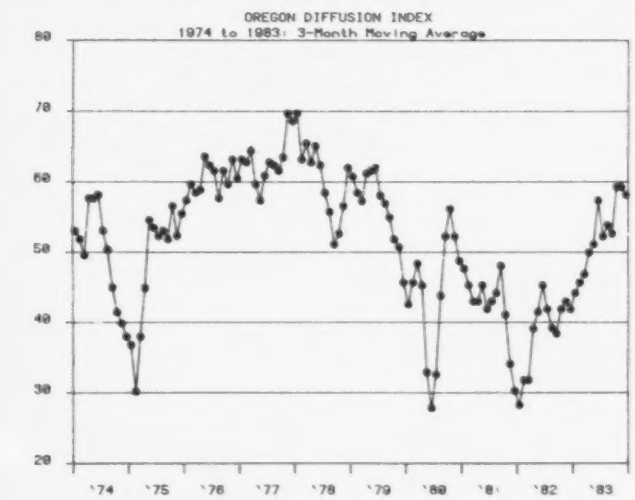
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



available, Oregon's share is probably more than the 24,000 estimated by applying the state's proportion of the nation's unemployed to the national discouraged worker total. Long term unemployment, greater in Oregon than most other states, leads to unemployed workers giving up the search for jobs they feel do not exist for them.

Oregon's diffusion index slipped 1.1 points to 58.2 for December. Since January this leading economic indicator has advanced 14 points. Its consistent showing in the high 50's for the last three months should mean that Oregon's employment will hold to seasonal trends or show some growth over the next few months.



Damage by Oregon's economic downturn which started in the fall of 1979 and the improvements experienced since reaching the bottom have not been spread evenly across all industries. While employment in Health Services, Retail Food Stores and Electrical Equipment and Supplies have actually increased, large losses continue to be counted in Lumber and Wood Products, Construction, Other Retail Trade, and Government.

EMPLOYMENT CHANGE SINCE 1979
Selected Industries
x1000

	December 1983	December 1979	Change Number	Pct.
TOTAL	957.9	1,076.3	-188,400	-11.0
Manufacturing	185.5	227.1	-41,600	-18.3
Lumber & Wood Prod	62.7	77.9	-15,200	-19.5
Primary Metals	7.9	11.4	- 3,500	-30.7
Fabricated Metals	8.9	14.2	- 5,300	-37.3
Machinery	14.5	17.9	- 3,400	-19.0
Elec. Equip & Sup.	10.1	9.4	+ 700	+ 7.4
Trans. Equip.	7.3	11.4	- 4,100	-36.0
Food & Kindred	21.3	24.2	- 2,900	-12.0
Print. & Publ.	10.3	10.4	- 100	- 1.0
Other Mfg.	42.5	50.3	- 7,800	-15.5
Nonmanufacturing	772.4	849.2	-76,800	- 9.0
Construction	25.9	52.5	-26,600	-50.7
Transportation	32.2	37.0	- 4,800	-13.0
Wholesale Trade	61.1	68.2	- 7,100	-10.4
Retail Trade	186.1	199.5	-13,400	- 6.7
Food Stores	28.3	24.7	+ 3,600	+14.7
Finance, Ins., R.E.	63.8	70.3	- 6,500	- 9.2
Services	185.0	189.6	- 4,600	- 2.4
Health Services	64.9	60.6	+ 4,300	+ 7.1
State Government	51.3	54.7	- 3,400	- 6.2
Local Government	114.0	121.5	- 7,500	- 6.2
Other Nonmfg.	53.0	55.9	- 2,900	-10.6

No doubt, Oregon's hardest hit industry during the past few years has been Construction. Home construction rose about 12% but lagged behind the nation's 60% increase. Last year's permits numbered 8,215, up from the 7,351 permits recorded in 1982. Housing starts peaked in 1977-78 when the state issued more than 35,000 permits. High interest rates, out-migration, low used housing prices, job insecurity and other consumer uncertainties are blamed for employment being less than half of what it was in December 1979. Heavy construction, i.e., highways, bridges, docks and piers, dams, etc., have been hindered through belt-tightening by government, public utilities, and private business.

This winter's weather played a significant role in December's nosedive. December's Construction employment was 3,100 less than for November 1983. Hardest hit were outdoor activities such as Heavy Construction (-2,100) and Roofing and Concrete related work (-700). Regardless of the weather, the outlook is not good for the residential sector. Slower than normal permit activity portends continued sluggishness.

All eyes are on Oregon's sweetheart, Lumber and Wood Products. Even with the nation's respectable 1.7 million housing starts in 1983, obstacles to full recovery remain - high interest rates and transportation costs to southern and eastern markets are two. In December, heavy rainfall followed by abnormal cold forced shutdowns in some instances, but also required some workers to be called back to prevent damage to idle equipment. Despite inclement weather, employment stood 6,400 above a year ago. But as large and good looking as this gain is, it stems from a very depressed base. Except for the past two years, employment in the industry still hasn't been that low for over 10 years.

Although employment in Food and Kindred Products fell 2,400, the drop was 200 less than normally expected for this time of the year. There are some real concerns in this industry with poor seafood harvests, the recent closure of Agripac's southeast Salem plant, and a 5th year of poor returns for turkey growers.

In the midst of December's wind, rain, and snow, dreams of a merry Christmas came true for 5,700 persons finding jobs in retail stores for the holiday season. Following a slow start, holiday hiring for Retail Trade picked up in November and December. In fact, hiring exceeded the average for the last two years by 900. However, this still remains far below the number of Santa's helpers hired during better years.

While some local governments have benefited from incoming timber receipts, revenue shortfalls continue to dictate lower employment levels for most government bodies. Much of the 2,200 drop in total Government employment was due to school holidays.

Looked at simply, the nation's economy is on a roll while Oregon's recovery is at a crawl. But the state is on the right track and is, to a lesser degree, sharing in the nation's recovery.□

THE EMPLOYER'S CORNER

Winter layoffs are hard on both the employer and the employe.

Work Share is a program through which business, labor, and the State of Oregon work together to produce an alternative to laying off workers. Under the Work Share program, if an employer reduces an employes work hours, the Employment Division will provide unemployment insurance benefits for the time lost. The result is the retention of a trained work force spared the hardship of total unemployment. The employer must be aware, however, that use of Work Share may result in a higher tax rate.

What are the Basic Rules of the Work Share Program?

- The hours of work are reduced between 20 and 40% in lieu of layoff.
- A pre-approved employer plan for up to a maximum of 52 weeks must be on file.
- A minimum of three employes must participate in an employer's Work Share Plan.
- Union agreement must be obtained where applicable.
- An individual must qualify for a regular unemployment claim, is limited to 26 weeks of Work Share benefits, but retains the balance of the claim amount should the person later become fully unemployed.
- The employe must have worked for the Work Share employer for a minimum of six months.

For more information please contact your nearest Employment Division office. You will be put in touch with appropriate staff who will explain the program and potential impacts on your tax rate.□

1984 ECONOMIC OUTLOOK

Nineteen Hundred Eighty-Four appears to be one of those rare years when all the economic forecasters can proclaim better times for the year ahead - and not regret it in December. When 1984 began, the economic recovery here in Oregon and the nation was about one year old. The first year of recovery was fairly typical. Inflation remained low, the national housing industry rebounded, consumers became optimistic and boosted their spending especially for big ticket durable goods like autos, and businesses began to cautiously rebuild their depleted inventories. A major surprise was the exceptionally rapid drop in the nation's unemployment rate over the past year which plummeted from a record high of 10.8% in December 1982 to 8.2% in December 1983. Total employment and GNP gains were also well above earlier expectations.

At this juncture the national recovery is still very young, but has enough momentum to virtually assure continued expansion throughout 1984 at the very least. Since Oregon's economic performance is largely dictated by national and even international developments we need to look at the larger picture first and make some assumptions.

One of the most important of these is that national monetary and fiscal policies will remain little changed in this election year. Fiscal policy will remain very stimulative with federal spending again exceeding revenues by some $180 billion. Increased defense spending will lead the way. The Federal Reserve is expected to minimize the inflation impacts of this deficit by allowing only moderate growth in the money supply. The result should be stable to slightly lower real (i.e. inflation adjusted) interest rates and only a small increase in the overall inflation rate.

Although the high level of interest rates will be a constraint on economic growth, no credit crunch is expected, at least in 1984. A major reason is that business profits are expected to again rise strongly this year due to higher sales volume and productivity gains. Higher profits, increased cash flow, a reluctance to increase debt, and favorable prospects for equity financing should keep business borrowing down in 1984. The crunch or "crowding out" problem may well occur in 1985 however if federal deficits are not significantly reduced.

Business plant and equipment spending has declined during the past three years, but is expected to rise strongly in 1984. Since the nation's factories are still operating below capacity much of this increase in capital spending will be for business equipment needed to improve productivity.

Consumer spending is expected to remain strong as real incomes rise due to lower income taxes and further improvement in the job market. Although the focus for maintaining the economic recovery will begin to shift from consumers to business spending on capital goods and inventories, retail sales to consumers will continue to rise and provide strong support for further expansion.

U.S. housing starts are expected to remain at or slightly above 1983's level of about 1.7 million. Nonresidential building and public works construction however will accelerate.

The U.S. dollar on international currency markets will continue to be overvalued, although some improvement is likely as the economic recovery begins to take hold overseas. A too strong dollar keeps inflation down at home, but it also encourages imports and hurts U.S. exports of agricultural products, manufactured goods and services.

Despite the strong dollar, agriculture is expected to fare better. Farm income should rise faster than farm expenses. Federal acreage reduction programs such as Payment in Kind (PIK) will still exist, but will be somewhat less attractive to farmers in 1984.

Oregon's economy in 1984 will reflect all of these external developments as well as others that are unique to the state.

Stable interest rates and housing construction starts will bring little improvement to Oregon's major basic industry - lumber and wood products. Since wood product inventories are still fairly low however, any drop in interest rates and/or increase in wood products demand could quickly translate into higher production and employment in this industry.

The shift in focus from consumer durable goods to business plant and equipment spending should benefit Oregon, since much of this state's durable goods manufacturing activity is concentrated on capital goods. Export sales of machinery, "high tech" equipment and other capital goods will continue to be restrained by the strong dollar, but domestic demand should pick up significantly. The continued build-up in federal defense spending will also generate higher activity in some sectors such as primary metals and ship repair. Oregon however, will benefit much less than other states with more defense contractors.

Recovery in Oregon's construction industry has been unusually slow so far. Gains in 1983 were confined to housing and heavy construction. Population losses in Oregon over the past two years plus excess industrial capacity and office space, especially in the Portland area, have taken their toll. In 1984 construction activity should begin to pick up at a faster pace, especially in the heavy construction and nonresidential building sectors. Little to no population growth statewide, and high office vacancy rates in Portland, will continue to exert a drag on the rate of recovery in Construction during 1984.

The weak population trend will also retard the recovery pace in most of the other nonmanufacturing industries in Oregon. Nevertheless, income and employment gains will support moderate expansion in Trade and Services.

Trade gains will probably come primarily in food stores, restaurants and general merchandise stores as consumer spending remains strong.

The outlook for tourism in Oregon is also positive this year. Economic recovery in the nation and particularly in this region including California is likely to bring more out-of-state visitors to Oregon. The Olympic Games in Los Angeles this summer may even cause more visitors to pass through Oregon.

The government sector will probably be one of the slowest to turn around in 1984 due to continued tight budgets and a growing trend toward contracting to private firms work formerly done by public employes.

Oregon agriculture can look forward to a better year in 1984. Markets and prices for livestock are expected to improve by spring. Most crop prices are also likely to move higher this year. Wheat farmers however will continue to experience problems from excess world supplies, the strong dollar, and low wheat prices.

All things considered, Oregon can look forward to a year of moderate economic growth - but no bonanza. The state's unemployment rate dropped from 11.5% in 1982 to 10.6% in 1983. A further reduction of about one percentage point is probable in 1984. Even this improvement however will not restore all the jobs lost since 1979.

The major concern in most quarters is what will happen to interest rates and Oregon's economy after 1984? The answer will be largely determined by how successful Congress and the Administration are in reducing Federal budget deficits.□

HOURS AND EARNINGS – WHERE TO NOW

While all the effects of the past recession have not been totally eliminated, positive signs are accumulating. Anticipation that inflation will remain subdued and that interest rates will continue a conservative course through 1984 has had a healthy impact on the economy. As a result, factories have increased output to fill inventory gaps and growing levels of consumption. A return to the "good ol' days" does not appear likely though. Operations have become much leaner - more cost efficient - allowing producers to better respond to new market directions. So to control costs and maintain productivity momentum, expenditures by firms are more apt to go toward labor-saving investments rather than large hiring increases. Increasing manufacturing activity will result in employment gains, but most likely not to the extent of previous recoveries. More noticeable will be the strength in average weekly hours. As proof to date, 1983 average weekly hours have exceeded year ago levels by almost a full hour for total manufacturing.

Heavy dependence on natural resources along with a continuing sensitivity to interest rates still play a big role in Oregon's economy. Lumber and Wood Products rebounded sharply in early spring and remained strong through much of the year despite backsliding prices for goods produced. During this time average weekly hours posted significant gains and use of plant capacity has clung to the 90%+ range. An over-the-year comparison of weekly hours

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.2/ 1983	Oct.3/ 1983	Nov. 1982	Nov.2/ 1983	Oct.3/ 1983	Nov. 1982	Nov.2/ 1983	Oct.3/ 1983	Nov. 1982
TOTAL MANUFACTURING 4/	399.11	398.77	388.36	38.9	39.6	38.3	10.26	10.07	10.14
Durable Goods	416.15	425.14	407.81	39.9	40.8	39.1	10.48	10.42	10.43
Lumber & Wood Products	429.66	445.67	417.98	39.6	41.0	39.1	10.85	10.87	10.69
Logging & Sawmills	460.45	477.92	448.81	39.9	41.2	39.3	11.54	11.60	11.42
Veneer & Plywood	429.63	451.00	416.70	39.2	41.3	39.2	10.96	10.92	10.63
Millwork & Struct Wood	342.05	348.94	309.70	40.1	41.1	38.0	8.53	8.49	8.15
Mobile Homes	276.61	268.60	301.93	35.6	36.2	37.5	7.77	7.42	8.03
Other Wood Products	421.40	429.47	403.00	39.2	40.1	38.9	10.75	10.71	10.36
Furniture & Fixtures	264.19	255.75	261.36	34.9	33.0	36.0	7.57	7.75	7.26
Primary Metals	517.10	523.38	515.39	43.2	42.9	42.7	11.97	12.20	12.07
Fabricated Metals	382.14	386.00	393.57	39.6	40.0	39.2	9.65	9.65	10.04
Machinery	403.61	399.91	397.62	39.3	39.4	37.3	10.27	10.15	10.66
Nondurable Goods	349.93	337.64	343.83	36.3	36.9	36.5	9.64	9.15	9.42
Food & Kindred Products	285.80	278.42	291.56	34.6	36.3	35.6	8.26	7.67	8.19
Canning & Preserving	225.23	231.34	234.59	32.5	35.7	33.9	6.93	6.48	6.92
Other Food Products	402.71	392.64	401.06	38.5	37.9	38.9	10.46	10.36	10.31
Textile Mill Products	213.01	205.21	203.44	36.6	34.9	36.2	5.82	5.88	5.62
Apparel	216.84	208.66	182.86	39.0	37.8	33.8	5.56	5.52	5.41
Paper & Allied Products	536.80	524.50	504.11	40.0	39.2	39.6	13.42	13.38	12.73
Printing & Publishing	407.76	398.11	394.36	35.8	35.2	35.4	11.39	11.31	11.14
Construction 4/	471.16	526.26	530.02	31.9	35.8	32.9	14.77	14.70	16.11
Communications & Utilities 5/	485.58	478.92	449.99	39.9	39.0	39.3	12.17	12.28	11.45
Trade 5/	278.39	283.71	271.91	33.5	34.1	33.2	8.31	8.32	8.19
Wholesale Trade	373.76	391.02	361.38	36.5	38.0	36.3	10.24	10.29	9.82
Retail Trade	232.32	232.81	224.73	32.0	32.2	31.3	7.26	7.23	7.18
Banking & Insurance	257.61	262.99	247.19						
State & Local Government	320.84	322.16	304.15						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

for Lumber and Wood Products for the first 11 months reflects an average gain of 1.8 hours. The subpar performance in November is more indicative of weather conditions than an economic downturn.

Hourly earnings have, on the other hand, presented a mixed bag to date. Influencing factors include the addition of new lower paid production workers, negotiated reductions in wage rates, and overtime hours running about 60% above year ago levels. The first two serve to suppress hourly earnings, while premium pay for overtime provided a counter balance to the downward push on earnings. As an example of the opposing forces at work, with a 17% curtailment in Sawmill and Logging overtime hours, the neutralizing effect of overtime hours has diminished allowing the downward pressures to surface in the form of a $.06 decline in hourly earnings for November.

Demand in capital goods markets is gradually getting better, triggering production gains especially in Primary Metals. Orders for steel and equipment continue to push production schedules. Primary Metals weekly hours climbed .3, while adding nearly 200 more production workers. Benefits from increased housing activity have also provided a much needed boost to Furniture and Fixtures. Using an 11 month average for 1983, weekly hours for this industry stood at 35.4, the highest since 1976. Improving conditions for "high tech" related industries had Machinery hours 2.0 above year ago levels, with production worker employment also climbing 300 over the month.

As the food processing season winds up, weekly hours for the remaining workers in Canning and Preserving declined 3.2 for November. The increased proportion of higher paid workers also served to boost hourly earnings by $.45.

Elsewhere, increasing business activity has brought a greater demand for Paper and Allied Products and Printing and Publishing services. The consumption of paper follows closely the national economy. Demand for pulp, paper, and paperboard are expected to grow by 5% in 1984. This in turn will provide a favorable impact on Printing and Publishing. The relative changes in each of these industries is seldom as dramatic as those found elsewhere in Oregon's economy, and so their significance is often underestimated. To illustrate the significance of the paper sector a comparison of economic impact can be accomplished by multiplying weekly earnings by the corresponding count of production workers. By this measure Paper and Allied Products ranks third in manufacturing behind only Logging and Sawmills, and Veneer and Plywood Products. Add to this Printing and Publishing, and even minor fluctuations must be considered significant.

Construction activity took it on the chin for November as adverse weather slowed outside work to a near standstill. Weekly hours for all Construction fell by 3.9, while Heavy Construction, dropped nearly 6.0 hours. Weather was also a factor in the .9 jump in average weekly hours for Communications and Utilities as repair crews were kept busy maintaining service lines.

Consumer spending has given Trade a much needed boost, with pluses most noticeable in rising non-supervisory employment. The wait and see posture of consumers during the last two years is giving way to the pent up demands for products. Longer work weeks are also apparent. During each of the previous two years, weekly hours for Retail Trade fell .9 from October to November, while the comparable change for 1983 was a modest .2 decline. Though cautious employers are not going overboard in their hiring for the holidays, 1983 has again bested the previous two years by a substantial margin.

Consumer activity and the economy in general has not yet reached what may be considered normal patterns for the first year of recovery. The economy "normally" would be expected to expand faster than it has, but it is hard to fault the direction so far.□

OREGON LABOR TRENDS

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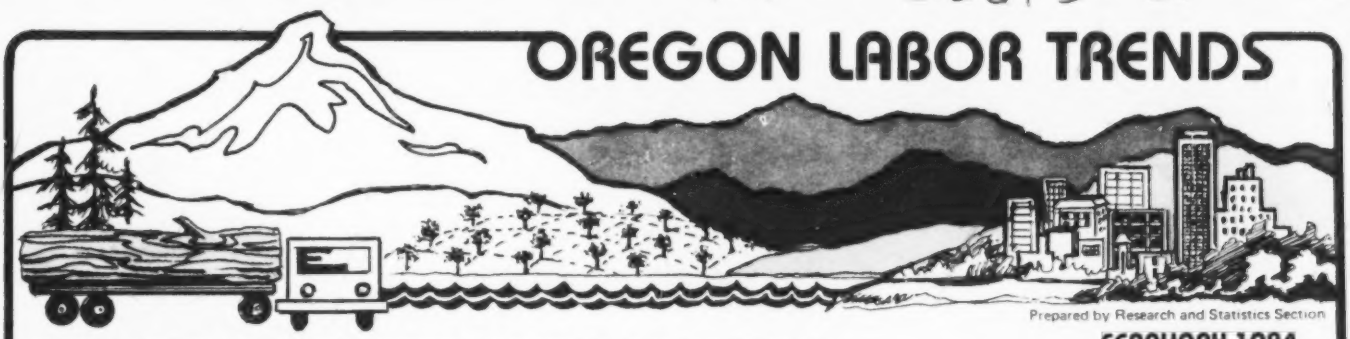


Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

FEBRUARY 1984

JANUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Jan. '84	9.9	12.0
Dec. '83	10.6	11.1
U.S.		
Jan. '84	8.0	8.8
Dec. '83	8.2	8.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

Jan. 1984:	105.5
Dec. 1983:	103.6
Jan. 1983:	101.4
Jan. 1982:	104.1
Jan. 1981:	111.5
Jan. 1980:	113.7

DIFFUSION INDEX

Oregon

Jan. 1984:	59.7
Dec. 1983:	57.8
Nov. 1983:	59.3
Oct. 1983:	59.3
Sep. 1983:	52.7

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Dec. 1983:	39.4
Nov. 1983:	38.9
Dec. 1982:	37.9

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Jan. 1984	295.1
Year Change	+ 3.0
U.S.	
Jan. 1984	305.2
Year Change	+ 4.1
Portland Hotline	221-4132

JANUARY'S REPORT: OPTIMISM

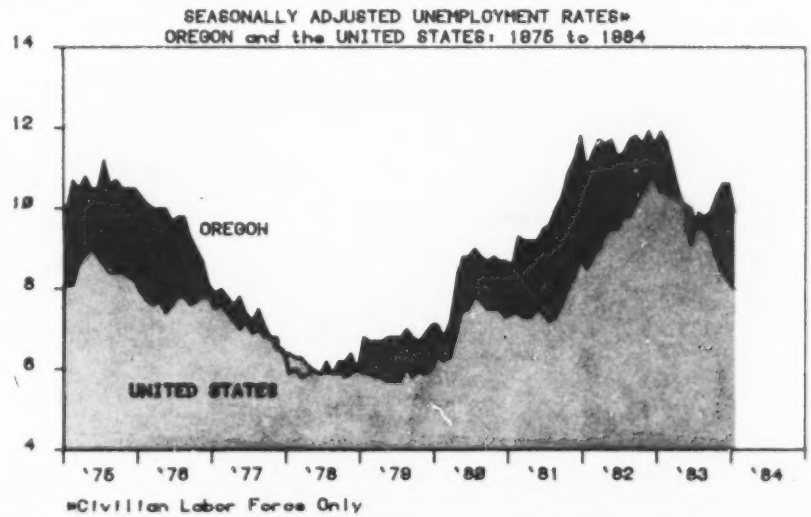
Kelly Freels

Oregon entered this Presidential election year on a strong economic note for three employment related indicators - seasonally adjusted unemployment rate, Nonfarm Wage and Salary Index, Diffusion Index - all moving in a positive direction. Not only do these indicators represent strength in January's economy, but they also point to future prosperity.

Unlike 1983 where gains in Lumber and Wood Products employment provided the primary economic push, 1984 will see a broader group of manufacturing sectors sharing in the economic expansion. This will be especially true for Oregon's capital goods producing industries which should gain momentum with a maturing consumer-led nationwide economic recovery.

Typically, a consumer-led recovery such as this will force industries to increase production capacity as expected demand surpasses plant capacity. To meet the expected needs, production facilities will need to modernize or expand. In either instance a capital goods purchase is necessary. As the recovery matures, a broader range of industries will purchase capital equipment either to expand capacity or to lower product cost - and ultimately to maintain or expand market share.

Employment growth in Oregon's nonfarm industries did nearly as well as the nation in 1983. In total, Oregon nonfarm employment grew near 3.0% just slightly below the 3.4% growth rate nationwide. Considering the narrow industrial base from



RESIDENT OREGON LABOR FORCE

	Jan. 1984 1/	Dec. 1983 2/	Change	% Change	Jan. 1983 5/
Civilian Labor Force 3/	1,300,600	1,314,300	-13,700	-1.0	1,310,000
Unemployment	155,600	146,500	+ 9,100	+6.2	180,500
Percent of Labor Force	12.0	11.1	xxx	xxx	13.8
Seasonally Adjusted Percent	9.9	10.6	xxx	xxx	12.1
Total Employment 4/	1,145,000	1,167,800	-22,800	-2.0	1,129,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1984 1/	Dec. 1983 2/	Jan. 1983	Change From Dec. 1983	Change From Jan. 1983
TOTAL 3/	966,200	976,400	929,700	-10,200	36,500
Wage & Salary Employment Index 4/	105.5	103.6	101.4	xxx	xxx
Diffusion Index 5/	59.7	57.8	44.2	xxx	xxx
Total Manufacturing	186,900	186,300	176,300	600	10,600
Durable Goods	136,700	135,600	126,300	1,100	10,400
Lumber & Wood Products	63,100	63,200	54,700	- 100	8,400
Logging & Sawmills	31,900	31,900	28,200	0	3,700
Veneer & Plywood	17,400	17,400	16,600	0	800
Millwork & Structural Wood	8,400	8,400	5,700	0	2,700
Mobile Homes	1,600	1,700	1,200	- 100	400
Other Wood Products	3,800	3,800	3,000	0	800
Furniture & Fixtures	2,300	2,200	2,200	100	100
Stone, Clay, Glass, & Concrete	2,800	2,900	2,800	- 100	0
Primary Metals	8,200	8,000	7,000	200	1,200
Blast Furnaces, Iron & Steel	4,300	4,100	3,900	200	400
Nonferrous Metals	3,900	3,900	3,100	0	800
Fabricated Metals	9,300	9,300	9,000	0	300
Fabricated Structural Metals	4,000	4,000	3,700	0	300
Other Fabricated Metals	5,300	5,300	5,300	0	0
Machinery	15,200	15,000	15,000	200	200
Electrical Equipment & Supplies	11,400	11,300	10,000	100	1,400
Transportation Equipment	7,500	7,000	7,400	500	100
Instruments & Related Products	14,500	14,300	16,100	200	- 1,600
Miscellaneous Manufacturing	2,400	2,400	2,100	0	300
Nondurable Goods	50,200	50,700	50,000	- 500	200
Food & Kindred Products	20,000	20,400	20,800	- 400	- 800
Canning & Preserving	10,200	10,300	10,800	- 100	- 600
Other Food Products	9,800	10,100	10,000	- 300	- 200
Textile Mill Products	1,800	1,800	1,800	0	0
Apparel	2,600	2,600	2,500	0	100
Paper & Allied Products	9,400	9,500	9,500	- 100	- 100
Printing & Publishing	10,600	10,600	10,300	0	300
Chemicals & Allied Products	2,200	2,200	2,000	0	200
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,600	2,600	2,200	0	400
Leather Products	500	500	400	0	100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1984	Dec. 1983	Jan. 1983	Change From Dec. 1983	Change From Jan. 1983
(cont.)					
Total Nonmanufacturing	779,300	790,100	753,400	-10,800	25,900
Mining & Quarrying	1,500	1,600	1,300	- 100	200
Construction	24,800	25,500	23,000	- 700	1,800
Transportation, Communications, & Utilities	54,500	55,500	54,200	- 1,000	300
Transportation	31,200	32,200	30,200	- 1,000	1,000
Railroad	4,900	5,100	5,300	- 200	- 400
Trucking & Warehousing	16,100	17,100	15,100	- 1,000	1,000
Other Transportation	10,200	10,000	9,800	200	400
Communications	14,900	14,900	15,300	0	- 400
Utilities	8,400	8,400	8,700	0	- 300
Trade	246,000	252,400	230,300	- 6,400	15,700
Wholesale Trade	62,500	62,900	60,100	- 400	2,400
Durable Goods	36,700	36,900	35,400	- 200	1,300
Nondurable Goods	25,800	26,000	24,700	- 200	1,100
Retail Trade	183,500	189,500	170,200	- 6,000	13,300
General Merchandise	25,900	27,800	23,900	- 1,900	2,000
Food Stores	28,500	28,700	25,900	- 200	2,600
Auto Dealers & Service Stations	22,600	22,900	20,400	- 300	2,200
Other Retail Trade	106,500	110,100	100,000	- 3,600	6,500
Finance, Insurance, & Real Estate	65,100	65,500	62,600	- 400	2,500
Banking & Credit Agencies	23,500	23,600	23,400	- 100	100
Other Finance, Insurance, & Real Estate	41,600	41,900	39,200	- 300	2,400
Services	191,400	193,700	187,100	- 2,300	4,300
Hotels & Personal Services	22,100	22,300	22,100	- 200	0
Health Services	66,200	66,600	65,200	- 400	1,000
Other Services	103,100	104,800	99,800	- 1,700	3,300
Government	196,000	195,900	194,900	100	1,100
Federal Government	28,800	29,200	28,100	- 400	700
State Government	52,000	51,800	51,700	200	300
Education	22,600	22,700	22,500	- 100	100
Other State	29,400	29,100	29,200	300	200
Local Government	115,200	114,900	115,100	300	100
Education	74,300	74,000	73,500	300	800
Other Local	40,900	40,900	41,600	0	- 700
Labor-Management Disputes	900	900	0	0	900

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.